



ADOPTED


BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#3

October 27, 2015

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012


PATRICK O'QUINN
ACTING EXECUTIVE OFFICER

Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Brock Ladewig
Deputy Director

Dear Supervisors:

**DEPARTMENT OF BEACHES AND HARBORS: APPROVAL OF PROCEDURE FOR
ANNUAL DETERMINATION OF SLIP RENTAL RATES AND
LIVEBOARD CHARGES
ANCHORAGE 47 - PARCEL 47 - MARINA DEL REY
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

This action is to approve a procedure for annually determining the slip rental rates for the County-operated Anchorage 47, located on Parcel 47 in Marina del Rey and to authorize the Director of Beaches and Harbors to implement the procedure.

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

1. Find that the recommended actions are exempt from the provisions of the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(8).
2. Adopt the Resolution Approving the Procedure for Annual Determination of Slip Rental Rates and Liveboard Charges and the Slip Rental Rates Sheet for Anchorage 47 – Marina del Rey.
3. Authorize the Director of the Department of Beaches and Harbors to implement the Procedure for Annual Determination of Slip Rental Rates and Liveboard Charges and the Slip Rental Rates Sheet for Anchorage 47 – Marina del Rey, effective 30 days after approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On March 25, 2008, County assumed operating responsibilities of Anchorage 47, a 173-slip marina located on Parcel 47 in Marina del Rey. County has an option to purchase Parcel 45W, adjacent to Anchorage 47, from Pacific Marina Venture, LLC, which would add 159 slips to Anchorage 47. County expects to exercise the option in October 2015.

In February 2015, County commenced an Anchorage 47 dock reconstruction project (the "Anchorage Project"), which includes the expected addition of the Parcel 45W slips. When complete, the new Anchorage 47 will be a state-of-the-art marina with 247 regular slips, plus six main channel slips and 11 end-ties. The Anchorage Project was previously approved by the California Coastal Commission under that certain Los Angeles County Marina del Rey Master Coastal Development Permit 5-11-131. Completion of the Anchorage Project is scheduled for May 2016.

The current procedure for the annual determination of slip rents and liveaboard charges for Anchorage 47 was approved by your Board on July 1, 2008. That procedure sets slip rental rates in July of each year by taking a survey of rates charged by a fixed list of specific marinas in Marina del Rey and calculating the weighted average slip rental rates for like-sized slips in Anchorage 47.

The procedure proposed by this item will give the Director of the Department of Beaches and Harbors ("Director") the authority to select, from year to year, the most comparable marinas to survey, resulting in calculated rental rates that reflect the most current and comparable market pricing, and to make commercially reasonable downward adjustments to such calculated rates in the best interests of the County to ensure fair pricing and adequate funding for professional management and maintenance of the Anchorage 47 marina for enjoyment by boat owners. The proposed new procedure for the annual determination of slip rental rates and liveaboard charges is attached hereto as Attachment 1 - *Procedure for Annual Determination of Slip Rental Rates and Liveaboard Charges for Anchorage 47 - Marina del Rey* (the "New Procedure"), to be effective 30 days after approval by your Board.

The first period of implementation of the New Procedure commences upon the completion of the first phase of the Anchorage Project (estimated to be October 2015), and ends on the completion of the Anchorage Project (estimated to be May 2016). For that first period of implementation, any increases in regular slip rental rates over existing rates would be capped at 15% for regular slips 35 feet and smaller, and at 25% for regular slips 36 feet and larger. There would be no limits on rate increases for the six main-channel slips and 11 end-ties. Caps will be removed after the first implementation period under the New Procedure.

The *Anchorage 47 Slip Rental Rates Sheet*, attached hereto as Attachment 2, establishes the rates for the first period of implementation, effective 30 days after your Board's approval, and will be applied as each phase of the Anchorage Project is completed and new slips become available for rent.

Implementation of Strategic Plan Goals

This recommended action furthers the County's Strategic Plan Goal of "Operational Excellence/Fiscal Responsibility" (Goal 1), as revenue from the proposed New Procedure will ensure fair pricing and adequate funding for professional management and maintenance of the Anchorage 47 marina for enjoyment by boat owners.

FISCAL IMPACT/FINANCING

Beaches and Harbors projects that revenues generated from the newly constructed docks will be sufficient to fund debt service and will use that source to repay the commercial paper financing.

Operating Budget Impact

Department of Beaches and Harbors does not anticipate any impact on the operating budget. All rental income received from Anchorage 47 will be deposited to an interest bearing trust account established for annual operation, repair, maintenance and replacement of the Anchorage 47 docks and premises.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is the current owner/operator of the Anchorage 47 marina in Marina del Rey. The County is authorized to charge for use of facilities for recreational purposes by adoption of a resolution by the Board pursuant to Government Code section 50402. The Department of Beaches and Harbors, which manages the property, wishes to have a clear and defined method by which to make annual adjustments to slip rental rates and to ensure that those rates are reasonable within the local market and do not require subsidies by the public.

At its meeting of August 12, 2015, the Small Craft Harbor Commission (SCHC) endorsed, by a 3 to 1 vote, the recommendations to approve the procedure for annual determination of slip rental rates and liveaboard charges.

County Counsel has reviewed and approved the Resolution as to form.

Public Hearing Requirements

Public hearing notice requirements of Government Code Section 6062a have been satisfied and public hearing requirements of Government Code Section 66018, for slip rent increases, will be satisfied by this action.

ENVIRONMENTAL DOCUMENTATION

The proposed New Procedure to establish a methodology for annual readjustment of slip rents at Anchorage 47 is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8), because the proposed actions involve the establishment or approval of rates for the purpose of meeting operating expenses, including employee salaries and benefits and necessary supply, equipment and material costs for ongoing operations, and for capital projects to maintain service, including but not limited to future dock replacement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The increased revenue generated by the proposed actions will allow the Department to ensure adequate funds are available for annual appropriation to maintain the Anchorage 47 facilities in safe and good repair.

CONCLUSION

Attached are two copies of the proposed Resolution. Return one executed copy to the Department of Beaches and Harbors, along with a copy of the approved Board letter, retaining one executed copy of the Resolution for your files. Should you have any questions please contact Jules Treffer at (310) 301-6096 or jtreffer@bh.lacounty.gov.

Respectfully submitted,



Gary Jones, Director

GJ:BL:SP:jt

Attachments

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

EXHIBIT A

**RESOLUTION APPROVING PROCEDURE FOR ANNUAL DETERMINATION OF
SLIP RENTAL RATES AND LIVEABOARD CHARGES AND THE SLIP RENTAL
RATES SHEET FOR ANCHORAGE 47—MARINA DEL REY**

WHEREAS, the County of Los Angeles (County) is the owner of the Parcel 47 leasehold improvements and the permittoe to the existing boat slip permittees at the Anchorage 47 marina; and

WHEREAS, the Department of Beaches and Harbors has implemented an extensive program to provide quality service and keep the docks at Anchorage 47 in a safe condition and has requested approval to adjust the slip rental rates effective on the completion of the first phase of the Anchorage 47 dock reconstruction project (the "Anchorage Project"), estimated to be in October 2015, on the first July 1st following the completion of the last phase of the Anchorage Project, and on July 1st of each year thereafter, based upon the proposed "*Procedure for Annual Determination of Slip Rental Rates and Liveaboard Charges for Anchorage 47 — Marina del Rey*" (Attachment 1); and

WHEREAS, the proposed New Procedure seeks to maintain a fair and transparent methodology for calculating annual adjustments to the slip rental rates in the County-operated Anchorage 47 by taking a survey in April of each year of similar market rate marinas in Marina del Rey and calculating a rental rate for each slip found in Anchorage 47; and

WHEREAS, the "*Slip Rental Rates Sheet*" (Attachment 2), establishes the rates for the period from the completion of the first phase of the Anchorage Project, estimated to be in October 2015, to the first July 1st following the completion of the last phase of the Anchorage Project, estimated to be in May 2016, effective thirty (30) days after approval by the Board of Supervisors, and indicates how the liveaboard charge will be applied, which is consistent with the New Procedure; and

WHEREAS, such rates are necessary to meet operating expenses, including employee salaries and benefits and necessary supply, equipment and material costs for on-going operations, and for capital projects to maintain service, including but not limited to current and future dock replacement projects; and

WHEREAS, the increased rates are in the public interest and welfare;

NOW THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, State of California as follows:

The *Slip Rental Rates Sheet* for the new Anchorage 47 is hereby approved and the *Procedure for Annual Determination of Slip Rental Rates and Liveaboard Charges for Anchorage 47 — Marina del Rey* is hereby adopted and the Director of Beaches and Harbors is directed to adjust rates at Anchorage 47 on the completion of the first phase

of the Anchorage 47 dock reconstruction project, and on the first July 1st following the completion of the last phase of the project, and on July 1st of each year thereafter in accordance with the Procedure.

The foregoing resolution was adopted on the 27th of October, 2015, by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



PATRICK OGAWA
Acting Executive Officer-Clerk of the
Board of Supervisors of the County of
Los Angeles

By [Signature]
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By [Signature]
Deputy

ATTACHMENT 1

PROCEDURE FOR ANNUAL DETERMINATION OF SLIP RENTAL RATES AND LIVEABOARD CHARGES FOR ANCHORAGE 47 — MARINA DEL REY

Slip rental rates and liveaboard charges are adjusted and a *Slip Rental Rates Sheet* is published to be effective on the completion of the first phase of the Anchorage 47 dock reconstruction project ("Anchorage Project"), and on the first July 1st following the completion of the last phase of the Anchorage Project, and on July 1st of each year thereafter. All existing slip permittees will be notified of the new rates once they are established.

The Anchorage Project will be completed in phases. When each phase is completed, new slip rental rates will be implemented for each new slip completed, for both existing and new slip permittees.

The reconstructed Anchorage 47 docks will contain 253 slips and 11 end-ties. For the purpose of assessing slip rental rates, there are three categories: (a) regular slips, defined as all slips excluding the six main-channel slips located adjacent to the main channel; (b) main channel slips, defined as the six slips adjacent to the main channel; and (c) end-ties.

Regular slip rental rates are based on the weighted averages of posted rates of comparable slips in Marina del Rey each year and from year to year.

Main channel slip rental rates are based on market rates of comparable slips in Marina del Rey each year and from year to year.

End-tie rental rates are based on the weighted average of posted rates of selected 50-foot slips in Marina del Rey each year and from year to year.

PROCEDURE FOR SETTING SLIP RATES

Valuation Month and Annual Adjustment Date:

The valuation month for the determination of slip rental rates will be April of each year, at which time the Department will conduct a survey of "Comparable Marinas" and "Comparable Main Channel Slips", as such terms are defined below. Rates will be based on the attached *Slip Rental Rates Sheet* (Attachment 2) during the first implementation period, commencing on the date each new dock receives a Temporary Certificate of Occupancy or a Certificate of Occupancy and ending upon the completion of the Anchorage Project. Rates will be adjusted on the first July 1st after the end of the first implementation period, and on July 1st of each year thereafter.

Comparable Marinas:

The term "Comparable Marinas," is defined as a selection of marinas in Marina del Rey Harbor which are most similar to Anchorage 47, including without limitation age, location and amenities. The Director has delegated authority to select marinas for inclusion in the Comparable Marinas each year and from year to year, in his sole discretion and in the best interests of the County.

Regular Slips:

The determination of Anchorage 47 regular slip rental rates is based on the per-foot weighted averages of posted slip rates for similar-length slips of Comparable Marinas, as defined above, located in Marina del Rey. The Director has delegated authority to make commercially reasonable downward adjustments to the calculated rates to ensure fair pricing and adequate funding for professional management and maintenance of the Anchorage 47 marina for enjoyment by boat owners, taking into account market conditions and the best interests of the County, including without limitation, but in particular the demand for Anchorage 47 regular slips, typically indicated by occupancy rates. The Director shall take into account the objective of assessing fair and reasonable rates that are economically sustainable. Anchorage 47 regular slips are grouped and assessed rental rates as follows:

For 20' to 25' slips, the weighted average of comparable marinas posted 25' slip rates;

For 26' to 30' slips, the weighted average of comparable marinas posted 30' slip rates;

For 31' to 35' slips, the weighted average of comparable marinas posted 35' slip rates;

For 36' to 40' slips, the weighted average of comparable marinas posted 40' slip rates;

For 41' to 45' slips, the weighted average of comparable marinas posted 45' slip rates.

End-Ties:

The determination of the Anchorage 47 end-tie rental rates is based on the per-foot weighted average of the posted slip rates of 50-foot slips of Comparable Marinas. The Director has delegated authority to make commercially reasonable downward adjustments to the calculated rates to ensure fair pricing and adequate funding for professional management and maintenance of the Anchorage 47 marina for enjoyment by boat owners, taking into account market conditions and the best interests of the County, including without limitation, but in particular the demand for Anchorage 47 end-ties, typically indicated by occupancy rates. The Director shall take into account the objective of assessing fair and reasonable rates that are economically sustainable.

Main Channel Slips:

The determination of Anchorage 47 main channel slip rental rates is based on the per-foot posted slip rates of selected slips in the Marina del Rey Harbor which are most similar to Anchorage 47's main channel slips, including without limitation length, location, age and amenities ("Comparable Main Channel Slips"). A current example of Comparable Main Channel Slips can be found at Parcel 112, whose marina is relatively new and has large slips 65 to 90 feet in length adjacent to the main channel. The Director has delegated authority to make commercially reasonable downward adjustments to the calculated rates to ensure fair pricing and adequate funding for professional management and maintenance of the Anchorage 47 marina for enjoyment by boat owners, taking into account market conditions and the best interests of the County, including without limitation, but in particular the demand for Anchorage 47 main channel slips, typically indicated by occupancy rates. The Director shall take into account the objective of assessing fair and reasonable rates that are economically sustainable. The Director has delegated authority to select slips for inclusion in the Comparable Main Channel Slips, in his sole reasonable discretion and in the best interests of the County.

Liveboards:

The liveboard charge is in addition to the slip rental fee and is set at 55 percent (55%) of the related slip rental rate.

LIMITS TO RATE INCREASES FOR THE FIRST PERIOD OF IMPLEMENTATION

During the first implementation period, commencing on the date each new dock receives a Temporary Certificate of Occupancy or a Certificate of Occupancy and ending upon the completion of the Anchorage Project, any increase in regular slip rental rates over existing rates will be capped at 15% for regular slips 35 feet and smaller, and at 25% for regular slips 36 feet and larger. Rate increases for the six main channel slips and the 11 end ties will not be capped. Caps will be removed after the first implementation period under the PROCEDURE FOR SETTING SLIP RATES, above.

**ATTACHMENT 2**

**DEPARTMENT OF BEACHES AND HARBORS
ANCHORAGE 47
SLIP RENTAL RATES SHEET
(Effective 30 Days after Board of Supervisors approval)**

SLIP SIZES	WEIGHTED AVERAGE PER-FOOT RATE (capped)	MONTHLY RENTAL RATE (capped)
Regular Slips		
20 foot	\$14.17	\$283.40
22 foot	\$14.17	\$311.74
23 foot	\$14.17	\$325.91
24 foot	\$14.17	\$340.08
27 foot	\$14.17	\$382.59
28 foot	\$14.17	\$396.76
30 foot	\$15.68	\$470.40
34 foot	\$16.48	\$560.32
36 foot	\$19.89	\$716.04
38 foot	\$19.89	\$755.82
40 foot	\$20.73	\$829.20
42 foot	\$22.40	\$940.80
Main Channel Slips		
25 foot	\$35.00	\$ 875.00
35 foot	\$35.00	\$1,225.00
47 foot	\$35.00	\$1,645.00
59 foot	\$35.00	\$2,065.00
74 foot	\$35.00	\$2,590.00
85 foot	\$40.00	\$3,400.00
End-Tie per linear foot	\$27.48	
Liveaboard Charges	55% of the related monthly slip rent (in addition to slip rent)	

**NOTICE OF PUBLIC HEARING
PROPOSED SLIP RENTAL RATES INCREASE**

Notice is hereby given that a public hearing will be held by the Board of Supervisors regarding increases to the slip rental rates at Anchorage 47 in Marina del Rey, operated by the Department of Beaches and Harbors, effective 30 days after approval by the Board of Supervisors. The slip rental rate increases are to assist in covering employee salaries and benefits and necessary supply, equipment and material costs for ongoing operations and for capital projects to maintain service, including but not limited to current and future dock replacement projects.

Said hearing will be held on October 27, 2015 at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381B, Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the Anchorage 47 Slip Rental Rates Sheet. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Written comments may be sent to the Executive Office of the Board of Supervisors at the above address. If you do not understand this notice or need more information, please call (310) 305-9504.

Si no entiende esta noticia o si necesita mas informacion, favor de llamar a este numero (310) 305-9523.